

## Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: AUGUST 1 EA PRESS SUMMARY

### 1. INDOCHINA

BRADSHER (WSTAR 7/29) QUOTES SRV ARMY NEWSPAPER THAT WIDE-  
SPREAD/WELL-ORGANIZED RESISTANCE MOVEMENT FIGHTS COMMUNIST  
REGIME IN SVN. NOTES GUERRILLA STRENGTH NOT COMPARABLE TO  
THAT ATTAINED BY VC, BUT TACTICS SIMILAR. IN 7/30 ARTICLE,  
BRADSHER REPORTS BORDER CLASHES BETW SRV/CAMBODIA THAT  
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INDICATE TENSE RELATIONSHIP W/NO SIGN IMPROVING.

VN NEWS AGENCY REPORTS MANY IN SVN STILL SUFFER FROM  
CHROMOSOME ABERRATIONS 6 YRS AFTER AREA SPRAYED W/CHEMICALS  
BY US FORCES (WP 7/30).

### 2. INDOCHINA/ASEAN

SRV REJECTS ASEAN INVITATION TO SEND REPRESENTATIVE TO  
OPENING CEREMONY SUMMIT CONF AT KL THURS (REUTER KL).

3. PHILIPPINES

INTL COMMISSION OF JURISTS, IN STUDY TO BE PUBLISHED, ASSERTS MARTIAL LAW REGIME CONTINUES PERPETUATE PERSONAL POWER PRES/INCREASED POWER OF MIL TO CONTROL SOCIETY. REPORT ALSO ALLEGES BROAD RANGE VIOLATIONS DEMOCRACY/HUMAN RTS. COMMISSION RECOMMENDS GOP CONSIDER ENDING MARTIAL LAW/GRANT AMNESTY TO DETAINEES NOT CHARGED W/ VIOLENT ACTS/CONVOKE INTERIM NATL ASSY PROVIDED IN 1973 CONSTITUTION (KAMM, NYT 7/31).

MANILA STUDENTS DEMONSTRATE VS RISE IN UNIV TUITION; 300 TEMPORARILY DETAINED BY POLICE (VILLADOLID, NYT 7/31).

US MELLON BANK ERRS, TACKS 3 EXTRA ZEROS ON 1000-DOL CHECK TO FIL COUPLE, NOW WANTS EXTRA 999,000 DOLS BACK. FIL COUPLE SAYS ALREADY SPENT MOST OF MONEY (UPI WP, NYT).

4. JAPAN

SAAR (WP TOKYO 7/30) REPORTS JAPAN PREPARING DO BUSINESS W/LOCKHEED AGAIN, DESPITE LAST YR'S SCANDAL. FINAL UNCLASSIFIED

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DECISION ON SUB-TRACKING PLANE TO BE MADE NEXT MONTH, THO DEF AGENCY SOURCE SAYS NO OTHER ALTERNATIVE AVAILABLE SINCE LOCKEED PRODUCES BEST PRODUCT.

JAPAN AUTO MFRS ASSN PREDICTS AUTO EXPORTS THIS CALENDAR YR WILL TOTAL OVER 4 MIL VEHICLES--RECORD HIGH/10 PCT MORE THAN 1976 TOTAL (CULLISON, JOC TOKYO).

MATSUSHITA'S CONSOLIDATED NET INCOME 2ND QTR FY77 23 PCT ABOVE YR BEFORE, COMPUTED AT CURRENT YEN RATE; SALES UP 12 PCT FROM LAST YR; EXPORTS UP 32 PCT (WSJ).

FOLDESSY (WSJ) REPORTS 10 FON BANKS--MOSTLY JAPANESE--HAVE CONVERTED THEIR NY AGENCY OFFICES THIS YR INTO BRANCHES, WHICH ALLOWS THEM ACCEPT DEPOSITS WHILE NOT ALTERING LENDING ABILITIES.

WSJ'S KANABAYSHI REPORTS JAPANESE FIRM USING EARTHWORMS TO TREAT INDUSTRIAL SLUDGE FOR PROFIT AT 3 LEVELS: WORMS EAT SLUDGE/THEIR WASTE SOLD FOR FERTILIZER/FATTENED WORMS THEN SOLD AS BAIT. CO ALSO PLANS EXPORT "WORM TECHNOLOGY" TO US.

5. KOREA

NKNA BROADCAST DENOUCES US' KOREA W/DRAWAL AS "WAR PREPARATIONS," SAYING US PLANS MAKE KOREAN DIVISION

PERMANENT. CLAIMS ALL US WEAPONS BEING TRANSFERRED  
TO SK "PUPPET CLIQUE" (UPI, WSTAR, WP, NYT, ALL 7/31;  
REUTER SEOUL).

CSM'S SCHMIDT QUOTES AIDES TO SECDEF WHO SAY MIL FORCES  
EQUAL TO GROUND TROOPS BEING W/DRAWN SK COULD BE RETURNED  
SO QUICKLY BY AIR TRANSPORT THAT INVASION DANGER FROM  
NK MINIMAL. CITED HIGH-RANKING DOD OFFICIALS WHO BASE  
SKOREAN SECURITY ON SK'S OWN GROWING STRENGTH/IMPROVEMENT  
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IN OVERALL STRATEGIC POSITION VIS-A-VIS PRC/USSR/NK.

NK'S SUPREME MIL COUNCIL ANNOUNCED 8/1 ITS MIL BORDER  
WILL EXTEND 50 NAUTICAL MILES OFF NKOREAN E COAST/200  
MILES OFF W COAST. SK REFUSED RECOGNIZE MOVE, SAYING  
IT MIGHT UPSET STATUS QUO UNDER KOREAN ARMISTICE AGREEMENT  
(REUTER SEOUL).

KNIGHT NEWS SERVICES'S FRIEDMAN (GLOBE 7/28) DOES ITEM  
ON WH CONFIRMATION THAT CARTER PERSONALLY INVOLVED  
IN ATTEMPTS BRING TONGSUN PARK BACK TO US.

WP SURVEY FINDS OVER 100 CONGRESSMEN HAVE BEEN APPROACHED  
W/OFFERS BY ROKG, INDICATING INTENSITY SKOREAN EFFORT  
BUY FAVORED TREATMENT. WP POLLED ALL 435 HOUSE MEMBERS;  
385 RESPONDED. SURVEY ALSO FOUND SKOREANS OFTEN CLUMSY/  
OVER-ENTHUSIASTIC/HEAVY-HANDED IN OFFERING GIFTS.  
ALL WHO RESPONDED CONTEND THERE WAS NO INDICATION TONGSUN  
PARK WAS ROKG AGENT (BABCOCK/REID, 7/31).

TAYLOR (WSTAR) FINDS "GROWING INDICATION" THAT DETAILS  
KOREAN SCANDAL WERE KNOWN/POSSIBLY HUSHED UP BY NIXON/FORD.  
CITES ADM TURNER BRIEFING SENATE ETHICS CMTE, DURING  
WHICH HE SAID INFO GLEANED FROM INTELL SOURCES, HAVING  
"IMPORTANT IMPLICATIONS" TO DOJ PROBE, MAY HAVE BEEN  
KNOWN BY LAW ENFORCEMENT OFFICIALS UNDER LAST 2 GOP  
ADMINS BUT NEVER PURSUED. ATTY GEN BELL/ASST ATTY  
GEN CIVILETTI, BRIEFING HOUSE DEMS WEDNESDAY, SUGGESTED  
SIMILAR POSSIBILITY.

HOUSE GOP WHIP MICHEL 7/29 ACCUSED BELL/CIVILETTI OF  
TAKING INSULTING "CHEAP SHOT" AT FORD ADMIN BY SUGGESTING  
IT DELAYED KOREAN INVESTIGATION/CHALLENGED OFFICIALS  
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DISCLOSE EVIDENCE OR STOP USING "SMEAR TACTICS" IN  
ATTEMPT "EXPLAIN AWAY SLOW PROGRESS" DEMS MAKING IN  
PROBE (UPI, WP 7/30).

KIM DAE-JUNG QUOTED BY WIFE AS SAYING PRES CARTER'S HUMAN RTS PROGRAM HAS OPENED NEW ERA FOR INDIVIDUAL FREEDOM. WIFE SAID NEITHER SHE/KIM HAS ANY IDEA IF HE WILL EVER GAIN HIS FREEDOM, BUT KIM BELIEVES OWN LIBERTY NOT AS IMPORTANT AS RESTORATION POL FREEDOM IN SK (AP 7/28).

6. CHINA

YEH CHIEN-YING, IN 7/31 SPEECH, OFFICIALLY DESCRIBED "LONG, IMPORTANT," CALLED FOR RAPID MODERNIZATION PLA. SPEAKING TO 10,000 AT RALLY MARKING 50TH ANNIVERSARY OF PLA, YEH REITERATED PEKING WARNING THAT USSR/US LOCKED IN STRUGGLE FOR HEGEMONY AND THAT WORLD WAR "WILL BREAK OUT ONE DAY." ALSO STATED PRC'S DETERMINATION LIBERATE TAIWAN. HUA, TENG AND LI HSIEN-NIEN ALSO PRESENT AT TELEVISION RALLY (REUTER NYT, WP, SUN).

PRC'S MILITARY ATTACHE IN DPRK DEMANDS PULLOUT ALL US MILITARY FORCES IN KOREA; SUPPORTS "INDEPENDENT AND PEACEFUL REUNIFICATION" OF PENINSULA (UPI WP).

TENG MADE FIRST PUBLIC APPEARANCE AT PEKING SOCCER MATCH 7/30. EVENT TELEVISED IN HONG KONG. AP PIX OF 3 IN NYT ALSO. (REUTER, SUN; AP, NYT; WP).

VPS LI HSIEN-NIEN AND YU CHIU-LI SAID AT PEKING CONF PRC WILL BUY FOREIGN TECHNOLOGY TO HASTEN ECON DEVELOPMENT (WP).

PRES CARTER/VANCE SPENT TWO HOURS 7/31 REVIEWING US POLICY IN ASIA FOR SEC'S UPCOMING TRIP TO PEKING (WSTAR).  
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DESPITE OUSTER OF PRC DELEGATION, ALBANIA CELEBRATED 50TH ANNIVERSARY OF PLA IN TIRANA (WP).

NCNA REPORTS 195 OF 270 MAJOR INDUSTRIAL ENTERPRISES WRECKED BY EARTHQUAKE YEAR AGO IN TANGSHAN NOW RESTORED TO FULL PRODUCTION (WP).

US/HONG KONG EXTENDED THRU DEC 31 BILATERAL TEXTILES AGREEMENT. NEW AGREEMENT EXPECTED SHORTLY LIMITING HK TEXTILE EXPORTS TO US (JOC).

7. GENERAL

IN 7/29 NEWS CONF, SECSTATE REPEATED US WILL STAND BY COMMITMENTS TO SK DESPITE PLANNED TROOP PULLOUT; AVOIDED ADVANCE INDICATION WHAT US WILL TELL PRC DURING AUG PEKING TRIP ON HOW RELS COULD BE NORMALIZED (GWERTZMAN, NYT 7/30).

NYT (7/29) LOOKS OVER CBS NEWS POLL ON CARTER'S 6 MOS IN OFFICE, FINDS PUBLIC LIKES PRES MORE FOR STYLE THAN PROGRAMS. SAYS PRES BUCKS PUBLIC OPINION ON SK TROOP PULL-OUT; CARTER'S ABILITY CARRY POPULAR SUPPORT ON ECON AID TO SRV DEPENDS ON WHETHER PROPOSES HUMANITARIAN AID/LOANS AND GRANTS. MAJORITY PUBLIC FAVORS STATUS QUO IN SK. ON AID TO SRV, 70 PCT OPPOSE OUTRIGHT FINANCIAL AID/49 PCT FAVOR INDUSTRIAL, FARM EQUIPMENT/2/3 SUPPORT PROVIDING FOOD/MEDICINE.

#### COMMENT AND ANALYSIS

#### 8. JAPAN/KOREA UNCLASSIFIED

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WEINRAUB (NYT TOKYO) SAYS US' KOREAN W/DRAWAL TOPIC OF MAJOR DEBATE IN JAPAN RE OWN SECURITY/DEF CAPABILITY. SAYS WHAT CONCERNS JAPANESE OFFICIALS IS THAT US HAS RECEIVED NO ASSURANCE FROM USSR/NK THAT W/DRAWAL WOULD BE ACCOMPANIED BY EASING OF TENSION. QUOTES 1 US DIPLOMAT THAT JAPANESE HAVE "PROFOUND UNEASINESS ABOUT AMERICAN RELIABILITY."

#### 9. INDOCHINA

SIMONS (WP BANGKOK) DESCRIBES HARSH LIFE IN SVN, INCL REEDUCATION CAMPS/NEW ECON ZONES/PRESSURE ON CLERGY, BUSINESSMEN. CONCLUDES HANOI USES PRESSURE RATHER THAN OPPRESSION TO MAKE SVIETS CONFORM TO COMMUNIST WAYS.

WSTAR (7/31) CARRIES MAULDIN CARTOON DEPICTING SRV AT WH DOOR W/IOU FOR 3.2 BILLION DOLS; PRES CARTER POINTS, SAYS "SAN CLEMENTE IS THATAWAY." WSTAR (7/30) PRINTS 3 LTRS RESPONDING TO 7/21 DOYLE ARTICLE THAT SAID SRV HAS URGENT MORAL CLAIM TO US AID. ALL DISAGREE, POINT OUT OPPRESSIVE NATURE COMMUNIST REGIME.

#### 10. INDOCHINA/CHINA

ANDERSON/WHITTEN (WP) SPOTLIGHT 7602 AIR INTELL GROUP THAT HAS CONDUCTED NUMBER CLOAK-AND-DAGGER OPNS AROUND GLOBE. MENTION DIRTY WORK RE CORRUPT LAOTIAN GENLS. ADMIT UNIT DEVELOPED SOME OF BEST SPIES ALONG CHINA'S S BORDER.

#### 11. CHINA

IN NYT, EDWARD LUTTWAK (JOHNS HOPKINS PROF) DEPLORES PRESSURE OF HARDLINERS ON USSR/US REL WHO URGE ADMIN NORMALIZATION RELS W/PRC AT EXPENSE OF TAIWAN. SAYS THEIR ARGUMENT IS THAT US/CHINA CONNECTION WOULD FORCE  
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USSR ACCEPT DETENTE AND ALSO WOULD AFFECT REGIONAL POWER BALANCE. BUT LUTTWAK WARNS IT MIGHT ACTUALLY FORCE SOVIETS SUPPORT NK ATTACK AGAINST SOUTH. MAINTAINS TAIWAN SYMBOL TO ASIANS OF US INTENT AND CONSTANCY IN AREA.

NYT'S SULZBERGER SAYS MOST IMPORTANT ASPECT IN TENG'S REHABILITATION IS HIS APPT AS CHIEF OF STAFF PLA--SIGNAL THAT MIL WILL BE ASSIGNED MORE IMPORTANT POL ROLE THAN IN PAST (7/31).

HADLEY (WP 7/31) SEES NEW EVIDENCE OF SERIOUSNESS OF SINO/ SOVIET STRUGGLE. IN RANGE FINDERS OF ANTITANK ROCKET RPG-Y, CALIBRATIONS ON RIGHT OF EYEPiece ARE FOR SOVIET TANKS; LEFT, FOR US. SINCE RIGHT EYE USED MOST OFTEN IN SIGHTING, DESIGN GIVES PRIORITY TO BATTLE AGAINST FELLOW COMMUNISTS RATHER THAN WEST.

R JOHN CARPENTER, OF ARCHAEOLOGICAL INSTITUTE OF AMERICA, IN 7/31 LETTER IN NYT, DECRIES OF PRC'S USE OF ARCHEOLOGICAL FINDINGS TO PROVE CLAIM TO AMUR RIVER BASIN. NOTES SOVIET ATTEMPT AT SIMILAR PLOY AND COMPARES BOTH TO NAZI GERMANY'S ATTEMPTS AT JUSTIFYING EXPANSION ON SAME BASIS.

#### 12. TRADE POLICY

GLOBE (7/28) LAUDS PRES' 56-MILLION-DOL PROGRAM TO AID DOMESTIC SHOE INDUSTRY. SAYS US GAINS MAXIMUM ADVANTAGE POSSIBLE FROM ORDERLY MARKETING AGREEMENTS TO HOLD BACK SK/TAIWAN IMPORTS.

NYT (7/30) LOOKS AT 3RD WORLD DEBT PROBLEM. QUOTES CITI- UNCLASSIFIED

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BANK ECONOMISTS THAT MOST DUE TO RECESSION IN INDUSTRIAL COUNTRIES. AS EXAMPLE, STATE US SLOWED BUYING TAIWAN/SK TEXTILES/ELEC COMPONENTS, SO THESE INCREASED DEBT TO COVER WAGES/INVENTORIES. NYT NOTES MOST PRIVATE LOANS WENT TO FAST GROWTH COUNTRIES LIKE SK.

#### 13. GENERAL

WEINRAUB (NYT BANGKOK 7/31) NOTES ASIAN OFFICIALS WATCH W/NERVOUSNESS US DEFENSE POLICY IN ASIA. GIVES VN DEBACLE AS MAIN IMPULSE FOR SK PULLOUT, AS WELL AS TROOP REDUCTIONS IN THAILAND/PHILS/OKINAWA/JAPAN/TAIWAN. POINTS TO THAILAND AS MOST DRAMATIC REDUCTION IN FORCE US MIL PERSONNEL; MENTIONS NOW THAIS SAYING US SEEMS ABANDONING

RESPONSIBILITIES.

WEINRAUB STATES OTHER REASONS FOR "RETREAT FROM ASIA":  
USSR TROOPS MORE THREAT TO PRC THAN TO US; OUR PIVOTAL  
ALLY IN ASIA REMAINS JAPAN; SEES W/DRAWAL FROM SK AS RE-  
AFFIRMATION "NIXON DOCTRINE," W/POSSIBLE ADMIN YEARNING  
PUT DISTANCE BETW ITSELF/PARK REGIME. QUOTES SINGAPORE  
FONMIN RE INSCRUTABLE US SINCE NOT SURE ABOUT INTENSITY US  
COMMITMENT TO ASIA. CHRISTOPHER

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